

Message Text

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ACTION EUR-12

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TAGS: PGOV PO
SUBJ: GOVERNMENT FORMATION: NOBRE DA COSTA NAMES FOUR MINISTERS

REF: (A) LISBON 6173 (DTG 181611Z AUG 78), (B) LISBON 5881
(DTG 081427Z AUG 78)

SUMMARY:
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PRIME MINISTER-DESIGNATE NOBRE DA COSTA HAS NAMED FOUR
MINISTERS, INCLUDING PRESENT BANK OF PORTUGAL GOVERNOR SILVA
LOPES AS FINANCE MINISTER. MEANWHILE, THE PCP SECRETARY
GENERAL ALVARO CUNHAL REDEFINED THE COMMUNIST PARTY'S
POSITION, AND THE PS MAINTAINED ITS PUBLIC ATTACKS ON
PRESIDENT EANES. END SUMMARY.

1. FIRST MINISTERS NAMED:

LISBON PRESS REPORTS AS CONFIRMED INFORMATION THAT PRIME MINISTER-DESIGNATE NOBRE DA COSTA HAS CHOSEN THE FIRST FOUR MINISTERS OF

HIS CABINET:

--MINISTER OF FINANCE: DR. JOSE DA SILVA LOPES. LOPES, 46 IS THE PRESENT GOVERNOR OF THE BANK OF PORTUGAL. HE HELD HIGH-LEVEL FINANCE POSITIONS IN TWO PROVISIONAL GOVERNMENTS.

--MINISTER OF INDUSTRY AND TECHNOLOGY: FERNANDO DOS SANTOS MARTINS. MARTINS, 48, WAS SECRETARY OF STATE FOR LIGHT INDUSTRY IN THE FIRST CONSTITUTIONAL GOVERNMENT.

--MINISTER OF COMMERCE AND TOURISM: ENG. PEDRO JOSE RODRIGUES PIRES DE MIRANDA. MIRANDA ASSUMES HIS FIRST GOVERNMENTAL POST. BORN IN LEIRIA, HE RECEIVED A CIVIL ENGINEERING DEGREE FROM THE SUPERIOR TECHNICAL INSTITUTE OF LISBON. HE HAS HELD HIGH-LEVEL ADMINISTRATIVE POSTS IN PETROLEUM REFINING AND DISTRIBUTING COMPANIES.

--MINISTER OF DEFENSE: COL. MARIO FERMINO MIGUEL. MIGUEL, 46, CONTINUES IN THE POST HELD IN BOTH CONSTITUTIONAL GOVERNMENTS.

2. PCP DEFINES POSITION:

IN A SPEECH AUG. 18, PCP SECRETARY GENERAL ALVARO CUNHAL CONTINUED THE PCP'S CAUTIOUS APPROACH TO THE NOBRE DA COSTA GOVERNMENT. THE PCP, HE SAID, HAS SERIOUS RESERVATIONS ABOUT THE PRIME MINISTER-DESIGNATE, THE ENTHUSIASM LIMITED OFFICIAL USE

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"REACTIONARY FORCES" HAVE SHOWN TOWARD THE NOMINATION, AND THE FACT THAT THE GOVERNMENT IN FORMATION LACKS A PARLIAMENTARY BASE. HOWEVER, CUNHAL SAID, "THE DEFINITIVE ATTITUDE OF THE PCP IN RELATION TO THE NEW GOVERNMENT WILL DEPEND ON ITS COMPOSITION, ITS PROGRAM, AND FINALLY ITS PERFORMANCE". CUNHAL ADDED THAT THE PCP WOULD NOT ADD TO DESTABILIZING ATTACKS AGAINST THE PRESIDENCY. WARNING AGAINST A POWER VACUUM THAT WOULD DEVELOP FROM INSTABILITY, CUNHAL SAID "WE WILL NOT PARTICIPATE IN CAMPAIGNS OR IN BLOCKS TO DESTROY DEMOCRATIC INSTITUTIONS BY PITTING SOME ORGANS OF SOVEREIGNTY AGAINST OTHERS". TO DO SO, CUNHAL WARNED, COULD CREATE CONDITIONS FOR A COUP.

3. PS CONTINUES ITS HARDLINE:

IN A WEEKEND SOCIALIST PARTY MEETING, PS MEMBERS CONTINUED TO VOICE THE PARTY'S CRITICISM OF PRESIDENT EANES. PS SPOKESMAN MANUEL ALEGRE ACCUSED THE PRESIDENT OF ACTING LIKE A "PRESIDENT-KING", AND SAID THE PEOPLE HAD VOTED FOR EANES IN 1976 ONLY BECAUSE THEY KNEW HE WOULD CHOOSE MARIO SOARES TO BE PRIME MINISTER. THE PEOPLE HAD VOTED FOR PARTIES, NOT FOR A "GOVERNMENT OF INDEPENDENTS". SUCH A GOVERNMENT COULD LEAD TO AUTHORITYTARIANISM. FORMER MINISTER ALMEIDA SANTOS, IN A NEWSPAPER INTERVIEW,

RAISED THE POSSIBILITY OF A PS VOTE OF REJECTION
WHEN NOBRE DA COSTA PRESENTS HIS PROGRAM TO THE ASSEMBLY.
SUCH A REJECTION, SGTOS SAID, WOULD BE JUSTIFIED BY
E
ACTIONS OF THE PRESIDENT IN NAMING AN INDEPENDENT PRIME
MINISTER "WITHOUT FIRST HEARING THE OPINIONS OF THE PRINCIPAL
PARTIES". SANTOS, HOWEVER, ADMITTED THAT THE POSSIBILITY
EXISTED OF AN INTER-PARTY AGREEMENT.

4. COMMENT:

OBRE DA COSTA'S SUCCESS IN ATTRACTING THE CAPABLE,
INTERNATIONALLY KNOWN SILVA LOPES AS MINISTER OF FINANCE IS
HIS BIGGEST VISIBLE ACHIEVEMENT TO DATE. WE SUSPECT THAT
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PRESIDENT EANES HAS PERSONALLY PRESSURED A RELUCTANT SILVA
LOPES TO ACCEPT THIS APPOINTMENT. SILVA LOPES CAN
BE EXPECTED TO WORK TO MAINTAIN THE ECONOMIC POLICIES
IMPLEMENTED SINCE CONCLUSION OF THE GOP/IMF AGREEMENT.

DESPITE THE COMMENTS OF ALMEIDA SANTOS, WE CONTINUE TO BELIEVE
THAT THE PS IS UNLIKELY TO VOTE AAINST A NOBRE DA COSTA
GOVERNMENT PROGRAM. NOTABLY, THE PCP THUS FAR HAS NOT
JOINED THE PS ATTACKS ON EANES AND NOBRE DA COSTA.
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